

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

301 State House
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FISCAL IMPACT STATEMENT

LS 6684

BILL NUMBER: SB 265

DATE PREPARED: Dec 10, 2001

BILL AMENDED:

SUBJECT: Property Tax Replacement Distribution Schedule.

FISCAL ANALYST: Bob Sigalow

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FUNDS AFFECTED: **GENERAL**
 X DEDICATED
 FEDERAL

IMPACT: State & Local

Summary of Legislation: This bill allows the Property Tax Replacement Fund Board to make an early distribution of Property Tax Replacement Credit amounts to one or more counties without making an early distribution to all counties.

Effective Date: Upon passage.

Explanation of State Expenditures: The state currently makes six Property Tax Replacement Credit distributions to county treasurers each calendar year from the Property Tax Replacement Fund (PTRF). The distributions, in nearly equal amounts, are made in March, April, May, September, October, and November. Under HEA 1001 (2001), the May 2001 distribution was delayed until July 2001. After 2001, the original payment schedule is to be resumed. The Property Tax Replacement Fund Board currently has the authority to authorize early distributions from the PTRF to the counties.

This bill would allow the Board to authorize an early distribution to any number of counties instead of requiring that an early distribution, if any, must be made to all counties. This provision would give the Board additional flexibility in distributing money from the PTRF. Any early PTRF distribution would reduce the amount of interest earned on money in the fund. The actual fiscal impact would depend on the actions of the Property Tax Replacement Fund Board.

Explanation of State Revenues:

Explanation of Local Expenditures: Any early distribution of PTRF money could reduce a county's need to borrow money and therefore could reduce interest expense.

Explanation of Local Revenues:

State Agencies Affected: Property Tax Replacement Fund Board.

Local Agencies Affected: Local Units.

Information Sources: